

## Urgent Issues Part 2 - Why Does Moraga Receive So Little from Taxes?

Residents have become increasingly surprised and frustrated when discussing why Moraga roads continue to decline at such an alarming rate. Part of the answer lies with the Town's fiscal realities. Moraga receives much lower revenues, including property tax and sales tax, compared to other communities.

While many homeowners know that property tax was set by Proposition 13 at 1% of the assessed value of the home, far fewer realize that Proposition 13 also "locked in" how the tax would be shared among all the benefactors (local governments, county, state, schools, special districts, etc.). Because Moraga was established with a strong sense of minimalism, our "piece of the pie" was locked in at 5.3%. Other cities receive a higher portion of the property tax collected – Lafayette gets 6.8%, plus property tax increment for redevelopment, Orinda gets 7.4%, Concord gets 10.4%, Pittsburg gets 15.8%, and El Cerrito gets 18.8%!

A similar story is true with the sales tax. The state sales tax is set at 8.25%. More than 60% of the sales tax is sent to the State General Fund. The Town and the County each receive 12%, while the remaining 15% is split among public safety/criminal justice, local health and social services, and the state fiscal recovery fund.

Because of the minimal revenue that the Town receives, there is relatively no chance for increased spending on neighborhood roads. This is why the Town needs the help of residents to create a community-wide discussion about the road conditions and the fiscal options available to fix them.

For more information, visit our Revenue Enhancement Community Outreach to Neighborhoods (RECON) page [here](#). Or, simply e-mail [recon@moraga.ca.us](mailto:recon@moraga.ca.us).

## Moraga Receives Only 5.3% Of Every Property Tax Dollar

- Out of a \$5,000 property tax bill, Moraga receives only \$265
- Property tax allocation (post Prop 13) is frozen for all California cities
- Moraga's percentage is the lowest of any Contra Costa city
- There are no prospects for change

